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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92055679
Party	Plaintiff Your Photo On Canvas, LLC
Correspondence Address	ROGER N BEHLE JR FOLEY BEZEK BEHLE & CURTIS LLP 575 ANTON BOULEVARD, SUITE 710 COSTA MESA, CA 92626 UNITED STATES rbehle@foleybezek.com, ehuffman@foleybezek.com
Submission	Other Motions/Papers
Filer's Name	Roger N. Behle, Jr.
Filer's e-mail	rbehle@foleybezek.com, ehuffman@foleybezek.com
Signature	/Roger N. Behle, Jr./
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the matter of:	Trademark Application Serial No. 85/252823
Mark:	Your Photo On Canvas
Date Filed:	February 27, 2011
Date Published:	May 15, 2012

In the matter of:	Trademark Application Serial No. 85/249731
Mark:	Your Photo On Canvas
Date Filed:	February 23, 2011
Date Registered:	May 29, 2012

YOUR PHOTO ON CANVAS, LLC, Opposer/Petitioner vs. MALOVANI DESIGN CORP., Applicant/Registrant.	Opposition No. 91205200 Serial No. 85/25823 Cancellation No. 92055679 Registration No. 4151869 Serial No. 85/249731

OPPOSER/PETITIONER YOUR PHOTO ON CANVAS, LLC'S OPPOSITION TO APPLICANT'S/REGISTRANT'S MOTIONS TO (1) SUSPEND; (2) CONSOLIDATE; AND (3) TO EXTEND TIME TO RESPOND TO MOTION FOR SUMMARY JUDGMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

Opposer/Petitioner, Your Photo on Canvas, LLC ("Opposer/Petitioner") respectfully opposes the motions brought by Applicant/Registrant, Malovani Design Corp. ("Applicant/Registrant") and moves the Board for entry of summary judgment in its favor, on the grounds that Applicant/Registrant is not and at all relevant times was not the owner of the "Your Photo on Canvas" mark, and thus its application to register the mark "your photo on canvas" should be refused and its registration of the mark "your photo on canvas" on the Supplemental

Register should be cancelled. To the extent the Board determines it more efficient to consolidate these opposition and cancellation proceedings, Opposer/Petitioner does not object to such consolidation by the Board.

This opposition is based on the attached Memorandum of Points and Authorities and the documents on file in this action.

Dated: February 22, 2013

FOLEY BEZEK BEHLE & CURTIS, LLP

*/Roger N. Behle, Jr./*_____
Roger N. Behle, Jr.
Attorney for Opposer/Petitioner,
Your Photo On Canvas, LLC.

MEMORANDUM OF POINTS AND AUTHORITIES

I. The Board Proceedings Should Not Be Suspended

A. Applicant's/Registrant's Motions are Untimely and Improper

Applicant/Registrant has known about these Board proceedings for nearly a year. And, for nearly two years, Applicant/Registrant has known about the civil litigation now pending in the United States District Court, Central District of California ("Civil Action") – even though Applicant/Registrant is not a party to the Civil Action. Not until now, however, has Applicant/Registrant requested that these Board proceedings be suspended. Tellingly, Applicant/Registrant is making the request to suspend only *after* Opposer/Petitioner has filed its dispositive motions for summary judgment. Clearly, Applicant/Registrant has realized that it has no meritorious defense to these motions and is moving to suspend to escape the consequences that will inevitably follow.[1] This is precisely why the rules generally prohibit motions to suspend after dispositive motions have been filed. (See, e.g., TBMP §510.02(a); 37 C.F.R. §2.117(b); *Boyds Collection Ltd. v. Herrington & Co.*, 65 USPQ 2d 2017 (TTAB 2003)).

In addition, on January 31, 2013, Administrative Trademark Judge, Michael B. Adlin, suspended these proceedings pending disposition of Opposer's/Petitioner's motion for summary judgment. Judge Adlin further ordered that "[a]ny paper filed during the pendency of this motion which is *not relevant thereto* will be given no consideration. *See* Trademark Rule 2.127(d)" (emphasis added). Rather than filing papers *relevant* to the issues raised in the pending motions for summary judgment, Applicant/Registrant has instead filed a series of excusatory papers which speak to everything *but* a meritorious defense to the pending motions for summary judgment – because Applicant/Registrant has none. The simple rule upon which Opposer's/Petitioner's motions for summary judgment is based, and which Applicant/Registrant

[1] The TMEP expressly prohibits the very same type of transfer as Applicant/Registrant attempted to carry out here: "*Non-Correctable Errors*. The following are examples of non-correctable errors in identifying the applicant: . . . (2) *Predecessor in Interest*. If an application is filed in the name of entity A, when the mark was assigned to entity B before the application filing date, the application is void as filed because the applicant was not the owner of the mark at the time of filing. *Cf. Huang*, 849 F.2d at 1458, 7 USPQ2d at 1335 (holding as void an application filed by an individual two days after ownership of the mark was transferred to a newly formed corporation)." TMEP § 1201.02(c). This is precisely what occurred here. Applicant/Registrant purportedly assigned the mark to Mr. Malovani four (4) years before the applications were filed. As such, both applications were void as filed.

cannot overcome, is that "[a]n application for trademark registration must be filed by the owner of the mark as of the application filing date." *Sanders v. American Forests*, 2000 U.S. App. LEXIS 3692, *4 (Fed. Cir. Mar. 10, 2000), citing 15 U.S.C. § 1051, Trademark Manual of Examining Procedure ("TMEP") § 1201.02(b), *Huang v. Tzu Wei Chen Food Co. Ltd*., 849 F.2d 1458, 1460 (Fed. Cir. 1988). An application is void if the wrong party is identified as the applicant:

> An application based on use in commerce under 15 U.S.C. 1051(a) must be filed by the party who owns the mark on the application filing date. If the applicant does not own the mark on the application filing date, the application is void. 37 C.F.R. 2.71(d). *Huang v. Tzu Wei Chen Food Co. Ltd*., 849 F.2d 1458, 7 USPQ2d 1335 (Fed. Cir. 1988).
>
> If the record indicates that the applicant is not the owner of the mark, the examining attorney should refuse registration on that ground. The statutory basis for this refusal is §1 of the Trademark Act, 15 U.S.C. 1051, and, where related company issues are relevant, §§5 and 45, 15 U.S.C. §§1055 and 1127. The examining attorney should not have the filing date cancelled or refund the application filing fee.

TMEP § 1201.02(b)

Here, Applicant/Registrant, has not proffered any evidence to support the conclusion that *it* was the owner of the subject mark on the date the applications were filed. Strangely, Applicant/Registrant has actually offered evidence supporting the opposite conclusion – namely, that as of October 1, 2007 (4 years before the applications were filed) Applicant/Registrant transferred ownership of the mark to Adam Malovani, an individual. Indeed, the sworn Declaration of Adam Malovani submitted by Applicant/Registrant purports to confirm the "assignment" of the subject mark from Applicant/Registrant to Mr. Malovani, effective as of *October 1, 2007* (Malovani Decl., ¶10, Ex. 1). Applicant/Registrant thus admits it did not own the subject mark when the applications were filed in February of 2011.

B. Suspension is Improper Because these Board Proceedings and the Civil Action Involve Different Issues, Claims and Parties

Contrary to Applicant's/Registrant's assertions, Opposer/Petitioner is not requesting relief from the Board that was already denied by the District Court (Motion, p. 2). The District Court was not asked to decide, nor has it decided, the issue of whether Applicant's/Registrant's trademark application should be refused, or that its registration on the Supplemental Register be cancelled. To this end, Applicant/Registrant has grossly misrepresented to the Board the nature

of the Civil Action. The issues are not "almost identical" (Motion, p. 6) nor have they "already [been] litigated" (Motion, p. 12) nor are they "substantially the same" (Motion, p. 12). And, fatal to Applicant's/Registrant's present Motion here, is that the Civil Action involves different parties. Applicant/Registrant is ***not a party*** to the Civil Action. Indeed, Applicant's/Registrant's statement that "[t]he District Court case was brought by and between the same parties as those before the Board in the instant Proceedings" (Motion, p.1) is patently false. Applicant/Registrant, Malovani Design Corp., is a California corporation. That corporation is ***not a party*** to the Civil Action. Because it is not party, the District Court does not have jurisdiction over Applicant/Registrant.

Moreover, Applicant/Registrant's assertion that Mr. Malovani, an individual, and Malovani Design Corp., a corporation, are legally "the same" is legally unsupportable. An individual and a corporation are legally distinct entities. The ownership interests (shares) in a corporation can change, and with them the right to control the entity. Mr. Malovani, for example, could have (or may already have) transferred his shares in Malovani Design Corp. to a third party. That party would then have the sole right to control the corporation, independent of what Mr. Malovani, individually, may have wanted or directed. There is a clear legal distinction between an individual and a corporation, which is reflected in the TMEP sections requiring a trademark to be owned by *the applicant*: "[T]he application may *not* be amended to designate another entity as the applicant. 37 C.F.R. §2.71(d); TMEP §803.06." Further, "[a]n application filed in the name of the wrong party is void and cannot be corrected by amendment. *Huang v. Tzu Wei Chen Food Co.*, 849 F.2d 1458, 7 USPQ2d 1335 (Fed. Cir. 1988); *Great Seats, Ltd. v. Great Seats, Inc.*, 84 USPQ2d 1235, 1244 (TTAB 2007); *In re Tong Yang Cement Corp*., 19 USPQ2d 1689 (TTAB 1991)."

Significantly, as noted above, the TMEP expressly prohibits the very same type of transfer as Applicant/Registrant attempted to carry out here: "*Non-Correctable Errors*. The following are examples of non-correctable errors in identifying the applicant: . . . (2) *Predecessor in Interest*. If an application is filed in the name of entity A, when the mark was assigned to entity B before the application filing date, the application is void as filed because the applicant was not the owner of the mark at the time of filing. *Cf. Huang*, 849 F.2d at 1458, 7 USPQ2d at 1335 (holding as void an application filed by an individual two days after ownership of the mark was transferred to a newly formed corporation). TMEP § 1201.02(c). This is

precisely what occurred here. Applicant/Registrant purportedly assigned the mark to Mr. Malovani four (4) years before the applications were filed. As such, both applications were void.

Further, the issue decided by the District Court in its partial summary judgment order is different from the issue the Board has been called upon to decide in these proceedings. In the present proceedings, the Board has been called upon to decide whether Applicant/Registrant was the owner of the mark when the subject applications were filed in February of 2011. In contrast, the District Court merely determined that the mid-litigation assignment of the subject mark from Applicant/Registrant to Adam Malovani, made retroactive to October 1, 2007, was "sufficient to confer standing" on Mr. Malovani, individually, in the Civil Action.[2] Interestingly, the District Court's finding actually *supports* Opposer's/Petitioner's summary judgment motions in these proceedings. That is, if the assignment effectively transferred ownership of the marks to Mr. Malovani, individually, as of October 1, 2007, as the District Court ostensibly concluded, then Applicant/Registrant could not have been the owner of the mark when each of the applications in these proceedings was filed in February of 2011. Applicant/Registrant cannot have it both ways. Either Applicant/Registrant owned the mark in February of 2011, or it did not. If the assignment was valid and effective as of October 1, 2007, then as of that date, Applicant/Registrant was no longer the owner of the mark. The applications, when filed, were void *ab initio*. 37 C.F.R. 2.71(d). *Huang v. Tzu Wei Chen Food Co. Ltd*., 849 F.2d 1458, 7 USPQ2d 1335 (Fed. Cir. 1988).

[2] Opposer/Petitioner disagrees with this conclusion in that, among other things, it violates the longstanding federal rule prohibiting mid-litigation assignments: In *Gaia Technologies*, Gaia filed a complaint against the defendants on October 20, 1993, for, among other claims, trademark violations. *Gaia Techs. v. Reconversion Techs.*, 93 F.3d 774, 775-776 (Fed. Cir. 1996). Gaia was required to show that it was the assignee of the Intellectual Property at the time the suit was filed in order to have standing to sue on the trademark infringement. *Id*. at 777. Gaia produced a *nunc pro tunc* assignment that was filed on October 24, 1994 but was made effective as of August 4, 1991. *Id*. at 779. The assignment itself was undated. *Ibid*. The court found that this agreement was ***not sufficient*** to confer standing on Gaia retroactively. *Ibid*. (emphasis added). The *Gaia* court lays out the rule "Allowing a subsequent assignment to automatically cure a standing defect would unjustifiably expand the number of people who are statutorily authorized to sue." *Id*. at 780 (quoting *P&G v. Paragon Trade Brands*, 917 F. Supp. 305 (D. Del. 1995)). There is no 9th Circuit authority holding otherwise, despite Applicant's/Registrant's claims to the contrary.

Further, the District Court did not decide whether Applicant's/Registrant's application to register the mark should be refused, or its Supplemental Register registration of the mark should be cancelled, because Applicant/Registrant was not the owner of the mark when it filed the applications. Indeed, it again bears repeating that Applicant/Registrant is not a party to the Civil Action. The District Court does not have jurisdiction over Applicant/Respondent.

C. Applicant/Registrant Has Not Established Good Cause for an Extension of Time to Oppose the Present Summary Judgment Motions

Applicant/Registrant claims that it "didn't know" about the present motions for several days and, thus, should be given more time to oppose. But, Applicant/Registrant should not be given reprieve for problems *it* created. Indeed, counsel for Applicant/Registrant wants to blame everyone but himself for failing to provide an updated correspondence address and email address to the Board and opposing counsel in these proceedings. But, that responsibility belongs exclusively to counsel for Applicant/Registrant (e.g., "the attorney representing the registrant is responsible for insuring that registrant's correspondence address is updated" (TBMP §117.03)). Even the Board could not discern who was actually representing Applicant/Registrant, or what correspondence and email addresses were accurate.[3] Further, counsel for Opposer/Petitioner served its documents to the person, correspondence address and email address that were designated *of record* by Applicant/Registrant, itself. It was not for the Board or opposing counsel to question the accuracy of Applicant's/Registrant's chosen designations. It was equally unclear who was actually representing Applicant/Registrant, since attorney Robert Gilchrest had earlier been revoked as Applicant's/Registrant's attorney in Application Ser. No. 85/252823 and Application Ser. No. 85/249731, the subject applications in these proceedings (See, Doc. 12, TEAS Revoke Appointed Attorney, dated February 2, 2012, App. Ser. No. 85/249731; and Doc. 14, TEAS Revoke Appointed Attorney, dated February 2, 2012, App. Ser. No. 85/252823).

[3] On January 31, 2013, Administrative Trademark Judge, Michael B. Adlin, suspended proceedings pending the disposition of Opposer's/Petitioner's Motion for Summary Judgment and confirmed the confusion in Applicant's/Registrant's correspondence address, email address and representation as follows: "[T]he signature block of applicant's answer lists attorneys Robert Gilchrest and Patrick M. Maloney of Silverman Sclar Shin & Byrne LLP, but the cover letter accompanying the answer indicates that applicant may also be represented by the law firm of Thaler Liebler." Judge Adlin also noted that "the e-mail address for represented applicant's attorney appears to in fact be the email address for one of applicant's officers or employees." Judge Adlin then directed Applicant/Registrant to "clarify" these inconsistencies within ten (10) days.

In the end, it is undisputed that Applicant did not own the Mark on the date the application was filed, and thus the registration must be refused and the registration on the Supplemental Register cancelled. TMEP § 1201.02(b).

II. Conclusion

Based on the foregoing, Opposer/Petitioner Your Photo On Canvas, LLC respectfully requests that its motion for summary judgment be granted, as Applicant Malovani Design Corp is not, according to the proffered assignment agreement, the owner of the mark. As such, both applications for trademark registration are void *ab initio.* Applicant's/Registrant's pending application should refused registration on the Principal Register and its registration on the Supplemental Register should be cancelled.

Dated: February 22, 2013

FOLEY BEZEK BEHLE & CURTIS, LLP

/Roger N. Behle, Jr./
Roger N. Behle, Jr.
Attorney for Opposer/Petitioner,
Your Photo On Canvas, LLC.

CERTIFICATE OF SERVICE

It is hereby certified that on the 22nd day of February, 2013, the foregoing OPPOSER/PETITIONER YOUR PHOTO ON CANVAS, LLC'S OPPOSITION TO APPLICANT'S/REGISTRANT'S MOTIONS TO (1) SUSPEND; (2) CONSOLIDATE; AND (3) TO EXTEND TIME TO RESPOND TO MOTION FOR SUMMARY JUDGMENT; MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF was served on Registrant by sending a copy thereof to:

ROBERT M. GILCHREST
SILVERMAN SHIN BYRNE & GILCHREST LLP
500 South Grand Avenue, Suite 1900
Los Angeles, CA 90071
UNITED STATES

Registrant, by first-class, postage-prepaid mail.

Dated: February 22, 2013

FOLEY BEZEK BEHLE & CURTIS, LLP

/Roger N. Behle, Jr./
Roger N. Behle, Jr.
Attorney for Opposer/Petitioner
Your Photo On Canvas, LLC.